



Residential Communities Initiative (RCI) Privatization of Fort Myer Military Community May 2004



The Army's Residential Communities Initiative (RCI) is seeking interested parties to accomplish the Privatization of Army Family Housing at Fort Myer Military Community (FMMC), which includes Fort Myer in Arlington, VA and Fort McNair in Washington DC. The Army is conducting this market survey to determine the type and depth of industry interest in the privatization of Army Family Housing at the Fort Myer Military Community. Respondents to this announcement are requested to identify their interest in the FMMC family housing project and to provide a brief opinion on the viability of the proposed project. The Army seeks the opinion of Respondents in order to gauge the potential for successful privatization of FMMC family housing.

The Army's goal is to eliminate all inadequate Army family housing in the U.S. by 2007 using a combination of: (1) Traditional Military Construction, (2) Basic Allowance for Housing increases, and (3) Privatization. In 1996, the Military Housing Privatization Initiative Act provided the military Services with the authorities to leverage scarce funds and assets to obtain private sector capital and expertise to operate, manage, maintain, improve and build military housing in the U.S. The Army's RCI privatization program is a successful component in the delivery of quality residential communities for Soldiers and their families. RCI is built on partnerships with private sector real property developers, managers and financiers who have the expertise, innovation, willingness and ability to work collaboratively with the Army to make Army family housing privatization a success.

Typically, the private sector forms a multi-disciplined entity that assumes ownership of the installation's housing assets and takes a leasehold interest in the underlying land. The private entity becomes responsible for operating, maintaining, developing, redeveloping, and financing the housing community in a manner commensurate with its best private communities. The revenue is derived from rent paid by the Soldier occupying the housing unit. The RCI program currently includes 34 installations, grouped into 26 projects, with almost 71,000 housing units -- over 80% of the AFH

inventory in the United States. As of December 31, 2003, the Army had transitioned 10 installations to privatized operations (33,560 homes). In these projects, the Army will leverage approximately \$201 million in investments from appropriated funds to obtain close to \$3.6 billion of private capital to construct and renovate family housing during the initial development periods of these projects. The initial development periods range from 3 - 10 years in which we plan to eliminate all inadequate housing. Major renovations and construction of new and replacement homes are well underway at the first four RCI installations. At Forts Carson, Hood, Lewis and Meade, the Army has already constructed over 1,715 new houses and renovated 2,430 more. By the end of FY 2004, the number of privatized installations will increase to 19 (a total of close to 42,000 homes), and work will continue on another nine installations (an additional 17,000 homes).

The FMMC is a garrison command that serves two higher headquarters and that grew out of the Military District of Washington (MDW) in 1993. It is responsible to the MDW for mission support and accomplishments, and it is responsible to the Northeast Regional Office of the Army's new Installation Management Agency (IMA) for fiscal and administrative purposes. Forts Myer and McNair are historic installations that have performed many functions in their long lives, but for the last half-century they have served as the Army's Showcase in the National Capital Region. But while history and pageantry prevail, Forts Myer and McNair also provide administrative, housing, recreational or other support to active duty, reserve component, retired military personnel or DoD civilian personnel stationed or living in the region.

Army family housing at Fort McNair includes 29 historic family housing units. Army family housing at Fort Myer includes 178 family housing units, comprised of 118 non-historic homes and 60 historic homes. At this time, the disposition of the non-historic units has not been finalized. For purposes of determining feasibility, interested parties should assume that the project consists of the 60 historic homes at Fort Myer and the 29 historic homes at Fort McNair.

A sources sought site visit is scheduled for all interested parties from 0800 to 1200 hours May 18, 2004. To facilitate any security delay pre-registration is required, names should be provided to Mrs. Ana Colton by contacting her via phone at 703-696-8333 or by e-mail at coltona@fmmc.army.mil NLT 1400 hours May 17, 2004. Additionally, pre-registered parties will meet at the following area: DPWL's Conference Room Bldg 305, Fort Myer at 0800 the day of the visit. All visitors must bring a valid drivers license and or other official form of ID to gain access to the installation. Van transportation will be provided during the site visit.

Firms with experience in historic preservation, historic tax credits, residential construction, operation, and management are encouraged to recommend means by which this project could be accomplished. The Army seeks firms whose innovative approach to financing and organizational structure will minimize or eliminate the requirement for Army financial contributions. Interested concerns are invited to provide their written opinion of the feasibility of privatizing Army family housing at FMMC. Responses should also include the company name, a brief statement of relevant corporate background (statement of capabilities) as it relates to low-rise (3 story or less) housing development/construction, property management and project financing, point of contact, telephone number and email address, to the Contract Specialist via email at tracy.fetchik@usace.army.mil by no later than 15 June 2004.

This announcement constitutes a sources sought / market research synopsis and will close on 15 June 2004. Information obtained as a result of this announcement is for planning purposes only and may or may not be used for a subsequent solicitation. It does not constitute an invitation for sealed bid or request for proposal and should not be construed as a commitment by the Army. The Army intends to treat the identity of Respondents and all opinions received as source selection information and does not intend to notify Respondents of the results of this announcement.